

VZCZCXRO6687
RR RUEHAG RUEHAST RUEHDA RUEHDF RUEHFL RUEHKW RUEHLA RUEHLN RUEHLZ
RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHIK #0066/01 2631048
ZNR UUUUU ZZH
R 191048Z SEP 08
FM AMCONSUL THESSALONIKI
TO RUEHC/SECSTATE WASHDC 0374
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHTH/AMEMBASSY ATHENS 0275
RUEHIK/AMCONSUL THESSALONIKI 0416

UNCLAS SECTION 01 OF 02 THESSALONIKI 000066

SENSITIVE
SIPDIS

DEPT FOR EUR/SE

E.O. 12958: N/A

TAGS: [ASEC](#) [PTER](#) [SOCI](#) [PGOV](#) [GR](#)

SUBJECT: THESSALONIKI POLICE ARREST NOTORIOUS "ROBIN HOOD" CRIMINAL;
ANARCHISTS PROTEST

REF: THESSALONIKI 0048

THESSALONI 00000066 001.2 OF 002

POLICE VIGILANCE AND ACCOMPLICE'S ERROR LEAD TO ARREST

¶1. (SBU) SUMMARY: The arrest of notorious criminal Vassilis Paliokostas for the highly publicized kidnapping of a prominent northern Greek businessman has boosted the morale and public image of northern Greece's often criticized police. Police recovered an impressive cache of weapons in the arrest, including an RPG that appears unrelated to the January 2007 RPG attack on Embassy Athens. Paliokostas, who enjoys a Robin Hood reputation, appears to have had connections with local anarchists, some of whom have protested the arrest with arson attacks and other violent acts. END SUMMARY

¶2. (U) During the night of August 20, 2008, Thessaloniki SWAT police raided a hideout in the Souroti section of Thessaloniki and arrested the infamous Vassilis Paleokostas and one of his accomplices. Paleokostas was the mastermind of the kidnapping of northern Greece industrialist George Mylonas on June 9, 2008 (Reftel) and had been a fugitive since his spectacular escape by helicopter from Korydaols prison near Athens in June 2006. Mylonas had been kept at the Souroti hideout for 13 days after his kidnapping and was released after payment of a reported 10 million euros ransom. The raid and arrests were made after close monitoring by police of a suspected accomplice of Paleokostas and a mistake by another gang member who was arrested a few days earlier while attempting to deposit 230,000 Euros in marked notes in a bank in Chania, Crete.

RANSOM CASH AND A CACHE OF WEAPONS FOUND AT TWO HIDEOUTS

¶3. (U) At the Souroti location, police found a portion of the ransom money (between one and three million euros) along with a large cache of weapons that included a bazooka, five Kalashnikov rifles, explosives, hand grenades, and 3,700 rounds of ammunition. Police also found radio receiving units, micro-cameras and bullet proof vests. Further investigation led police to a second gang location, an apartment in Peraia, Thessaloniki where they located another three million euros of the ransom money and an RPG, similar to the one used in the attack on the U.S. Embassy in Athens in January 2007 along with four machine guns, two pistols, two grenades and 1,900 additional rounds of ammunition.

THE MYLONAS KIDNAPPING WAS PALEOKOSTAS' SECOND BIG SCORE

¶4. (U) In 1995, also in Thessaloniki, Paleokostas organized and carried out the abduction of another local businessman, Alexandros Haitoglou. Haitoglou was the owner of a local food company called "Macedonian Halva." A reported ransom of just

over one million dollars was paid in that case after which Haitoglou was released. Paleokostas was later arrested and imprisoned. But in a spectacular operation organized by his brother Nikos, Paleokostas escaped by helicopter from Korydalos Prison near Athens along with an Albanian convict named Alket Rizaj. Both Nikos Paleokostas and Rizaj were apprehended about three months after the escape but Vassilis Paleokostas remained at large until this recent arrest.

POLICE SAY RECOVERED RPG NOT CONNECTED WITH EMBASSY ATTACK

15. (SBU) Police Inspector General for Northern Greece Lieutenant General Antonis Bamiatzis told Post that the RPG recovered from Paleokostas' hideout is an old-style Chinese weapon that almost surely was brought to Greece through Albania. Although it is of the same general type as the RPG used in the attack on the U.S. Embassy in Athens in January 2007, Bamiatzis told Post that police have found no connection between the two weapons. He also noted that Paleokostas is completely apolitical, suggesting that Paleokostas would be unlikely to know who is President of the United States and surely wouldn't know if that person were a Republican or Democrat.

ARREST MAY DISCOURAGE OTHER KIDNAPPERS, POLICE HOPE

16. (SBU) A senior police official told us the arrest should send a warning to other potential kidnappers, but there is of course no way to prevent a re-occurrence. The official noted that high-profile business people in northern Greece are more relaxed about security than in Athens, where bodyguards are more common. He did not believe that northern businessmen had changed their security habits since the kidnapping.

THE ANARCHIST CONNECTION

17. (U) Eight people have been arrested so far for direct or indirect connections with the kidnapping. They face charges that include joint abduction, creating a criminal organization,

THESSALONI 00000066 002.2 OF 002

possessing explosives and bombs, forgery, extortion and various weapons charges. One of the eight individuals arrested is known anarchist Georgiadis, who had been previously arrested for involvement in a series of gas canister attacks in Thessaloniki.

Perhaps because of this connection and perhaps because Paleokostas enjoys something of a reputation as a Robin Hood, local anarchist groups have been voicing support for Paleokostas as he is progressing through his various judicial proceedings. Additionally, anarchist groups have made several recent arson attacks in Thessaloniki after which they voiced support for Paleokostas and/or contempt for George Mylonas, Paleokostas' former captive. On September 13 a group calling itself "Conspiracy of the Thessaloniki Fire Cadres - Commandos Asymmetric Threat" attacked a downtown Thessaloniki police station with Molotov cocktails, destroying a patrol car and two other vehicles. The group informed media its attack was to show "solidarity" with Paliokostas.

18. (SBU) COMMENT: The relatively rapid capture of Paleokostas, one of Greece's most notorious criminals, and his gang is a much needed boost to the morale and public image of the Greek police.

Police are proud of their efforts despite the fact that a good bit of luck and some errors on the part of the gang played a role in the capture. At the same time, Thessaloniki police leaders have expressed concern about the connection between the anarchists and one whom they view as a common criminal, calling the apparent close connection "unprecedented." END COMMENT

YEE